



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 10**

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OFFICE OF  
ENVIRONMENTAL  
CLEANUP

October 15, 2014

Mr. Kelly Wright  
Environmental Waste Management Program Coordinator  
The Shoshone-Bannock Tribes of the Fort Hall Indian Reservation  
P.O. Box 306  
Fort Hall, Idaho 83203

Dear Mr. Wright:

Thank you for your emails on September 29, 2014, which were sent in response to my letter of August 26, 2014. My letter expressed concerns with the ongoing management of Cooperative Agreements issued to the Shoshone-Bannock Tribes Environmental Waste Management Program in support of EPA's CERCLA work at the Eastern Michaud Flats Superfund Site. (Specifically, Cooperative Agreement V-00053310 [Eastern Michaud Flats] which expired on October 31, 2013 and Cooperative Agreements V-00J82901 [Simplot], V-00J82801 [FMC], and V-00J82701 [Off-Plant] which cover work during 2014.) EPA's letter asked the Tribes to provide the following:

1. Revised first and second quarter Quality Performance Reports (QPRs) for all three current CERCLA Cooperative Agreements addressing comments provided by EPA. The revised QPRs should provide sufficient detail to fully address EPA's concerns as identified in these comments and accurately document all expenses (including contractor expenses) associated with the work conducted pursuant to the Cooperative Agreements.
2. Documentation showing that costs reported on the QPRs are consistent with Tribal financial records and the draw-down requests submitted to EPA's Las Vegas Finance Center. If all expenses for a quarter have not been submitted for reimbursement, please explain why they have not been submitted and provide an estimate of when they will be submitted.
3. An explanation of the steps taken since the 2013 Advanced Post Monitoring Review to ensure consistency between the fiscal information kept by the Finance Office and the Environmental Waste Management Program. Please provide written documentation of measures put in place so that similar problems will not reoccur.

Unfortunately, the information submitted by the Tribes was not adequate.

While some of EPA's comments on the QPRs were addressed, many were not. The enclosed comments on the revised Simplot and Off-Plant QPRs highlight the areas that are still deficient and must be modified to address EPA concerns. The FMC QPRs are similarly deficient and must be modified to address the previous comments provided in August and be written consistent with the input on the revised Simplot and Off-Plant QPRs provided herein. As we have discussed with you on a number of occasions, it is critically important that QPRs accurately document the work the Tribes conducted, consistent with the approved work plan, during the reporting period.

The importance of accurate and descriptive QPRs is highlighted by the current cost dispute the JR Simplot Company has initiated related to Tribal and State costs under the current and past cooperative agreements for the June 2013 to June 2014 time period. EPA must have clear and accurate documentation supporting all CERCLA-related costs. For example, it is not adequate to simply list documents received by the Tribes without describing what the Tribes did with those documents to support the costs billed under the Cooperative Agreement. Contractor work and costs must also be clearly documented, and identified as such, consistent with the approved work plan. EPA understands the Tribes have chosen not to bill costs incurred by Tribal staff associated with the Eastern Michaud Flats Superfund site during January through June 2014. If this is the case, than work was not conducted pursuant to the respective Cooperative Agreements and should not be discussed in the QPRs. For Q1 and Q2 Off-Plant and the Q1 FMC, this would result in "zero cost" QPRs and we have thus provided an example of required documentation. Further, since the Tribes have decided not to bill any internal Tribal costs from January to June 2014, budgets must be reduced to reflect the diminished level of effort associated with each project during the period of performance (January – December 2014).

No documentation was provided by the Tribes to show that costs reported on the QPRs are consistent with Tribal financial records and the draw-down requests submitted to EPA's Las Vegas Finance Center as requested by the second item above. Please provide such documentation with the revised QPRs.

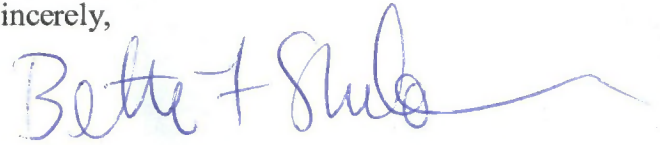
Finally, we appreciate the additional procedures the Tribes have implemented to improve coordination between the Environmental Waste Management Department and the Finance Department as documented in the "Monthly Reporting Procedures for EPA Grants." We hope these additional procedures will lead to more accurate reporting of costs as well as improved documentation in the future. However, we have a number of comments and questions related to the proposed procedures. Please see the enclosed comments which highlight our questions, comments, and concerns and revise your procedures accordingly.

It is extremely problematic and of great concern to EPA that we continue to see these fundamental problems with the documentation provided by the Tribes pursuant to the Eastern Michaud Flats Superfund site Cooperative Agreements. Please resubmit revised QPRs (including documentation showing that costs reported are consistent with the Tribes' financial records) and "Monthly Reporting Procedures for EPA Grants" addressing all comments and input provided by EPA no later than November 1, 2014. The Q3 and Q4 QPRs must also be submitted consistent with the input provided by EPA to date as well as the terms and conditions of the grants.

As you are also undoubtedly aware, your current Cooperative Agreements for this project expire on December 31, 2014. In order to provide similar funding to the Tribes during 2015, a complete and accurate grant package, including new work plans and budgets (see attached budget template), must be submitted to EPA no later than November 15, 2014. Similar to this year, a separate application package must be submitted for each Operable Unit. Due to the ongoing challenges in managing these Cooperative Agreements, EPA will not be seeking a waiver for pre-award costs as we did for the current Cooperative Agreements. Therefore it is very important the Tribes submit complete and accurate grant packages on or before the deadline above otherwise there will likely be a lapse in funding.

As always, my staff and I are available to meet with you over the phone if you would like to discuss anything related to these Cooperative Agreements.

Sincerely,



Beth Sheldrake, Unit Manager  
Superfund Site Cleanup Unit #1  
Remedial Cleanup Program

Enclosures:

EPA comments on Q1 and Q2 QPRs for Simplot and Off Plant Cooperative Agreements  
Example "zero cost" QPR  
EPA comments on "Monthly Reporting Procedures for EPA Grants"  
IGAP Budget Worksheet

cc: Mr. Arnold Appeney, Land Use Director  
Krista Sievers, Finance Department  
Steve Hagler, Finance Department